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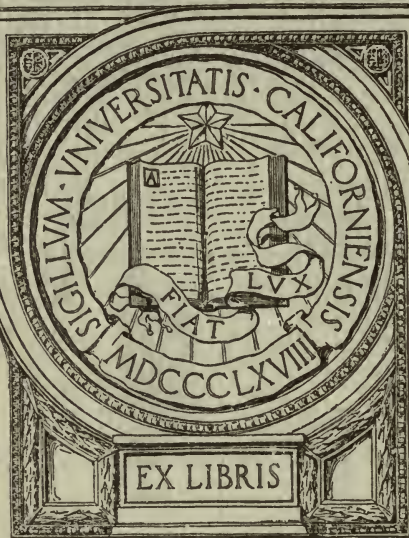
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## COMPETITION, NATURAL AND INDUSTRIAL.

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THE fundamental and essential principle of the modern industrial order, that is, of Capitalism, is competition. Remove competition and the whole system would be demolished, or at least transformed. The competitive system, however, has the sanction and the sanctity of 'the established fact,' and of a long-continued existence. Hence any reform which would endanger it by disturbing its foundation principle is at once, and almost instinctively, discredited and opposed. Do the trusts suppress competition? Then, they must be 'smashed.' Will Socialism destroy competition? Down, then, with Socialism. This represents the attitude of perhaps a majority of the people, with whom competition is almost a sacred principle which it is next to sacrilege to question or criticise.

The classical economists from Adam Smith to the present time have taught that competition is indispensable to progress. They have assumed perfect mobility of capital and labor, and, on the part of competitors, a complete knowledge of the market. With this wholly theoretical assumption they have been easily able to show that competition exerts a necessary regulative action in industry, and they have consequently claimed for it the sanction of a natural (or divine) law.

It is unnecessary to quote from these economists, whose writings are familiar or easily accessible, but I must be permitted to introduce here, as representative, a passage from a recent book by a distinguished French economist. Speaking of industry, and after discussing the effects of competition on production and value, he says: "The socialistic cry for regulation, whether by the State or



any other artificial authority, is therefore entirely absurd. Regulation is essential, but the two natural laws of Production and Value have long since joined to secure it. We need only refrain from throwing obstacles in the way of their regulative operation; or, if an artificial obstruction opposes that action, to guarantee their freedom in removing the obstruction, according to their own methods. Their action must be secured, but it is to be secured only *by refraining from all interference.*"<sup>1</sup> What society needs, then, according to this conception, is absolute industrial liberty. "Give everybody a fair field and no favor, and competition will usher in the industrial millennium!"

But in spite of the confident declarations of politicians and the teachings of the classical school of economists, there are two classes of persons with whom competition has lost some, or all, of its sanctity. These are the large capitalists on the one hand and the socialists on the other. Mr. Carnegie and Mr. Gary have declared, before a Congressional investigating committee, that in the steel industry competition is dead. Mr. James J. Hill, who, we may suppose, would not brook competition in the railroad business if he could help it, expressed the opinion, before the same committee, that "there will be competition just as long as the doctrine of the survival of the fittest lasts." It would perhaps be sufficiently accurate to say that the magnates of industry still believe in competition as applied to consumers, and to unorganized laborers. The latter especially, they think, need the spur of competition. But with respect to large units of capital, the waste and instability of prices occasioned by competition, have become so obvious to those who control such units, that, by legal combinations, pools, gentlemen's agreements, and the like, they seek to avoid it. So strong is the tendency among capitalists to combine that it has been said

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<sup>1</sup> Molinari, "The Society of To-morrow," New York, 1904, p. xlvii. Italics mine.

with truth that "where combination is possible, competition is impossible."

With the socialist, of course, competition has no sanctity whatever. He even fails sometimes to recognize its historic value. At all events he denies its rationality as a principle of industrial organization, and strives for a coöperative commonwealth.

With these two exceptions faith in the beneficence of competition seems to be general. (We are told that it is the life of trade; that it stimulates production, and effects favorably both its quantity and its quality; that it is the test of efficiency; that it lowers prices and tends to regulate them; that it keeps open the avenues of opportunity and preserves individual initiative; and, finally, that it is a law of nature with which it is folly to try to interfere.) A speaker at a recent meeting of the Western Economic Society declared that, "if there is one thing in the world that the government ought not to do it is to attempt arbitrarily to interfere with the natural laws of the economic and business world, which are of divine origin. If all the congresses from now till doomsday should attempt to interfere with the laws of competition on the one hand and monopoly on the other, they would fail just as disastrously as if they should attempt to interfere with or alter the law of gravitation. Trade laws are just as immutable as natural laws in the physical world."<sup>2</sup> Thus the basis of all hope of the conscious construction of an improved industrial order is removed. We can only stand by and await the operation of the natural laws of trade. Such at least is the practical and sensible policy if the all but general faith in competition is well founded, that is, if competition is a natural law from the operation of which flow all the beneficent results claimed for it.

But is competition a natural law "as immutable as natural laws in the physical world"? Those who contend

<sup>2</sup> W. T. Denison, assistant attorney-general of the United States, in a talk on "The Proper Purpose of Regulatory Legislation."

that it is base their contention upon the universality of the struggle for existence among organic beings. By identifying competition with the struggle for existence its advocates derive for it a double sanction. This struggle, we are told, is a law of nature; competition is struggle; ergo, competition is a law of nature. And, again, the struggle for existence results in the survival of the fittest; competition is a struggle for existence; ergo, competition results in the survival of the fittest. Such reasoning is fallacious unless competition and the struggle for existence are the same. That they are not the same becomes obvious if we consider carefully the meaning of the phrase, struggle for existence.

I use this term, said Darwin, in a large and metaphorical sense, including dependence of one being on another, and including (which is more important) not only the life of the individual, but success in leaving progeny. Two canine animals, in a time of dearth, may be truly said to struggle with each other which shall get food and live. But a plant on the edge of a desert is said to struggle for life against the drought, though more properly it should be said to be dependent on the moisture. A plant which annually produces a thousand seeds, of which only one of an average comes to maturity, may be more truly said to struggle with the plants of the same and other kinds which already clothe the ground. The mistletoe is dependent on the apple and a few other trees, but can only in a far-fetched sense be said to struggle with these trees, for, if too many of these parasites grow on the same tree, it languishes and dies. But several seedling mistletoes, growing close together on the same branch, may more truly be said to struggle with each other. As the mistletoe is disseminated by birds, its existence depends on them; and it may metaphorically be said to struggle with other fruit-bearing plants, in tempting the birds to devour and thus disseminate its seeds. In these several senses, which pass into each other, I use for convenience sake the general term of 'Struggle for Existence.'<sup>3</sup>

From this explanation of its use it should be clear that the term struggle for existence involves what is correctly known as competition,—that is, the struggle of individuals (or groups) with individuals (or groups) of the same species, and with individuals (or groups) of a distinct species,—and also the struggle of individuals, alone or in combination, against the physical conditions of life. It

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<sup>3</sup>“Origin of Species,” sixth London edition, pp. 59, 60.



is obvious that this second form of struggle has nothing whatever to do with competition. And it is not only conceivable but to be expected that among beings sufficiently intelligent there would be combination and perfect co-operation to achieve success economically in this form of struggle, that is, in the struggle against nature. At all events, competition, that is, the wasteful strife of living beings with each other, might be conceived as entirely eliminated, and the struggle for existence would still remain. There is no escape, indeed, from struggle. It is required by the very constitution of things. And it is beneficent, for it is practically synonymous with activity, which is the basis of all development. "Nature," says Goethe, "knows no pause in progress, and attaches her curse to all inaction." But with increasing intelligence the competitive form of struggle may and ought to be supplanted by voluntary coöperation, for only by coöperation may the struggle against nature, against unfavorable physical and social conditions, be most effectively carried on.

Struggle, then, or rather activity, is the law, and not competition. He who engages in the conquest of nature, of disease, of ignorance, of vice and of his own lower self will find all the opportunity for struggle necessary to his own development without entering into the competitive strife of man against man. Competition is not an immutable law of nature.

Eliminating from the struggle for existence the struggle against nature there remains competition, and it may be freely admitted that, as the struggle is carried on among the lower forms of life, competition is the most conspicuous if not the chief element. This kind of struggle follows necessarily from the fact that these forms of life are endowed with marvelous powers of propagation, and exercise no self-restraint. They consequently press upon the food supply and a competitive struggle results. All organic beings tend to increase in a geometrical ratio. If none was destroyed, the progeny of a single pair, even

of the slowest breeding, would soon fill the earth. Darwin reckoned that from a single pair of elephants, which are supposed to be the slowest breeders of all known animals, there would be produced, at the minimum natural rate of increase, nineteen million descendants in seven hundred and fifty years.<sup>4</sup> It has been calculated that, beginning with two persons and supposing a doubling of the population every fifty years, "at the expiration of three thousand years the whole surface of the earth, land and sea, would be covered with people piled one on top of the other eight hundred deep."<sup>5</sup> Professor Huxley introduced in one of his lectures a calculation showing that a plant which produces annually fifty seeds could cover every square foot of the land surface of the earth in less than nine years. Certain low forms of aquatic life increase with such amazing rapidity that, if none was destroyed, they would fill the ocean in a week. Thus all forms of life, high and low, are endowed with great powers of propagation. Nature pours into the arena innumerable combatants, vastly more than can possibly survive, and, under such circumstances, a competitive struggle for food and reproduction of species inevitably results. Competition may therefore be said to be a biological law. It holds true among beings which have not sufficient intelligence to appreciate its wastefulness, to restrain their increase, and to practice a higher economy.

The competitive form of the struggle for existence is, then, inevitable so far as creatures below man are concerned. And in this struggle, it is true, the fittest survive. But what are the fittest? As has often been pointed out, they are not always the highest types, but merely those best adapted to the circumstances of the particular time and place. It may so happen, and does often happen, that the circumstances are such as to favor the survival of a lower rather than a higher type. The parasite

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<sup>4</sup> *Op. cit.*, pp. 60, 61.

<sup>5</sup> See Ely, "Introduction to Political Economy," p. 163.



may drive out the paragon. In Paraguay, for instance, as we are told by Darwin, "neither cattle nor horses nor dogs have ever run wild, though they swarm southward and northward in a feral state." This is due to the prevalence in that country of a certain kind of fly which lays its eggs in the navels of these animals when first born, which results in their destruction. Thus cattle, horses, and dogs are among the unfit in one region of South America, and the fittest in another. Again, in equatorial Africa the tsetse fly, whose bite occasions the sleeping sickness, has depopulated whole regions of fertile country. Beasts and reptiles, however, are found in great abundance. They are 'the fittest' to the conditions which there prevail. And so everywhere, those who survive in the competitive struggle for existence do not prove thereby that they are superior in any sense. "If our hemisphere were to cool again," says Huxley, "the survival of the fittest might bring about, in the vegetable kingdom, a population of more and more stunted and humbler and humbler organisms, until the 'fittest' that survived might be nothing but lichens, diatoms, and such microscopic organisms as those which give red snow its color; while, if it became hotter, the pleasant valley of the Thames and Isis might be uninhabitable by any animated beings save those that flourish in a tropical jungle. They, as the fittest, the best adapted to the changed conditions, would survive."<sup>6</sup> In the course of social evolution, doubtless, many tribes of men have succumbed to ferocious animals and venomous serpents. Certainly states possessing a 'superior' civilization have been conquered by 'inferior' peoples. In such cases a certain superiority might be claimed for the conquering race,—in numbers, in military prowess, in hardihood, or the like. But, in an environment fit only for a low type of beasts or of men, the lower will drive out the higher unless the higher has the intelligence to transform the circumstances

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<sup>6</sup> "Evolution and Ethics and Other Essays," New York, 1899, pp. 80, 81.

into fitness for its own survival. Despite the currency of the proverb it is demonstrably untrue that always "the race is to the swift and the battle to the strong."

4. The doctrine of the survival of the fittest, then, has no bearing upon the permanence of competition in industrial society or the desirability of its maintenance as a method of human progress. To say that "we shall have competition as long as the doctrine of the survival of the fittest lasts" is to frame a remark which "sounds better than it senses." If the 'fittest' meant the 'best,' such a statement would be relevant, but, as has been shown here, and as has been pointed out many times by others, it does not mean the best; hence the doctrine of the survival of the fittest has no ethical significance. It is no obstacle to the belief in the gradual substitution of co-operation for competition. Paraphrasing the language of Huxley, we may say that social progress means a checking of competition at every step, and the substitution for it of coöperation, which may be called the ethical process; the end of which is not the survival of those who may happen to be the fittest, in respect of the whole of the natural conditions which obtain, but of those who are ethically best. "In place of ruthless self-assertion it demands self-restraint; in place of thrusting aside, or treading down, all competitors, it requires that the individual shall not merely respect, but shall help his fellows; its influence is directed, not so much to the survival of the fittest, as to the fitting of as many as possible to survive. It repudiates the gladiatorial theory of existence."

It is curious that men will justify competition, and assert its necessity, on the ground of the struggle for existence and the survival of the fittest, and preach non-interference with nature, when they are continually denying their theory in actual practice. Who believes in the doctrine of non-interference as applied to the plant world? To rely there upon the doctrine of the survival of the fittest would be to let weeds take the corn. It must have been an early advocate of the virtues of competition who

expected to gather grapes from thorns and figs from thistles! What is cultivation, artificial selection, domestication, education, legislation, but a negation of the general doctrine that nature is a complex of fixed laws with which it is folly to try to interfere? A natural law is nothing but a descriptive formula expressing a tendency, and what tendency in the organic and social world may not be to some extent counteracted by intelligent action? Man does not rely upon the doctrine of the survival of the fittest and let the weeds take his corn, or expect to obtain from unrestrained competitive strife the highest type of horse or cow, hog or sheep. No more should he hope for the highest type of man, or of civilization, to be produced through competition.

From the foregoing it should be clear that, so far as industrial competition is concerned, we can get little comfort out of the doctrine of the survival of the fittest, unless industrial conditions are wholly satisfactory. The richest men, the economically successful, are not necessarily the best men. As things now are, success too often depends upon hard-heartedness, cruelty, ruthless aggression, animal cunning, unscrupulousness, and other intensely egoistic traits which are foreign to the nature of the highest type of man.

“But, at all events,” it may be said, “industrial competition acts upon the producer by stimulating his powers and capacities of production. Hence the survivors of such competition are at least the most effective producers.” Not even so much can be admitted without qualification. It is true that effectiveness, say in production, is an element in successful competition, and sometimes a man succeeds in business, that is, drives out his competitors, solely by producing superior goods, or the same goods at a lower cost. But that is by no means the rule. Quality of goods, or cheapness, is not the end the business man is aiming at. His primary object is profits, and profits depend upon price of goods and quantity of sale. The stimulus of competition operates, therefore, not merely



upon quantity and quality of goods produced, but upon methods of sale. Of two producers of equal ability the cheapest seller will survive. Now the arts of sale consist largely in the misrepresentation of wares through expensive advertising, 'aggression,' detraction of rivals, and other 'tricks of trade' which have nothing to do with improved production. Profits are reaped through adulteration of goods, by sly substitution of shoddy material, by convincing customers that you 'have something just as good,' when you have not, even in larger proportion than by honest striving for improved quality or lower cost of production. Say what you will, modesty, sympathy with the unfortunate and the weak, altruism, strict honesty, are not the qualities at premium in successful industrial competition. And when competition is successful, that is, when a rival is 'put out of business,' society is likely to lose. For if the defeated rival owes his defeat merely to a more scrupulous conscience, the standard of business ethics is lowered; and, even if he be a less efficient producer, his services are lost until he readjusts himself, during which time his successful competitor reaps a monopoly advantage. In either case society would be better off through intelligent coöperation.

Neither the best men, then, nor the most efficient producers are the certain product of industrial competition. In piratical conditions competition produces pirates; and, under certain circumstances, parasites are the inevitable result. From no possible point of view may the advocates of industrial competition derive a sanction for it, or assurance of its perpetuity, from the doctrine of the survival of the fittest.

Descending, then, from the theory of the general beneficence of industrial competition, may it not be claimed for it that it operates to the advantage of one class of society particularly, namely, the consumers? It is a popular conception encouraged by certain economists, and by a superficial consideration of the facts, that competition lowers prices. That is indeed sometimes, per-

haps usually, the first result. But competition usually leads to combination, and when combination is effected the losses which the competitors sustained during their struggle for the market are recouped, and thenceforward prices may be maintained at a higher level to provide profits on a larger mass of capital. This is well illustrated in the effort of a municipality to secure a cheaper service from public utilities by encouraging competition. A city has, let us say, a gas plant. This plant is capable of supplying all the service required, but prices are too high. A franchise is granted to another company, another plant is built, competition results and prices are lowered. But it is not long until the plants are united under one management, or there is an agreement as to prices, and thenceforward prices must be sufficiently high to bring the usual return upon twice as much capital as is really needed to supply the service.

But there is another and more general reason why competition does not permanently lower prices. Industrial competition, like the competition which takes place among the lower orders of life, is extremely wasteful. Consider the vast amount of advertising, the armies of salesmen, the superfluous middlemen, the high rents paid for favorable locations, all of which, for the most part, merely determine who shall sell the goods, and from which buyers get no benefit whatever, and then reflect that all these expenses must be added to the cost of production and covered by the selling price. This forces prices upward, and if competition is 'aggressive,' and that is the kind that is popularly approved, they will be pushed to the point beyond which buyers will cease to purchase in large quantities, and that is all that monopoly can do. The tendency of prices under aggressive competition is to the same point as under monopoly.

The plain facts of industrial life disprove the prevailing belief that competition lowers prices. Take, for instance, our recent experience with the Standard Oil Trust. Relief from the tyranny of this oppressive monopoly was

to be obtained, it was generally thought, only by its dissolution. Thus was competition to be restored. Well, the Trust was dissolved, and with what result? An increase in the capital stocks of the former constituent companies ("to adjust the capital so as to make it commensurate with the value of the assets," it is apologetically explained), and an increase in the prices of many oil products! "Since the dissolution of Standard Oil," says the *Chicago Record-Herald* of February 8, 1912, "the price of many of the products has been advanced. It is the theory that the old subsidiary companies dissociated and in theoretical competition are entitled to make larger profits than when they were all owned by the old holding concern." And so, it seems, in this case at least, even 'theoretical' competition has the effect of raising prices.

We have now seen that contrary to the popular impression industrial competition does not result in a permanent reduction of prices; that it does not secure the survival of the most efficient producer; that in no case does competition necessarily result in the survival of the highest type; that it is only one element in the struggle for existence; and, finally, that to ground sanction of industrial competition on the doctrine of the struggle for existence and the survival of the fittest is to evince a gross misconception of the process of organic evolution.

But competition is a fact of nature and of industrial society. It is reasonable to suppose that it could not have persisted without an important use. What, then, is the real function of competition?

As already pointed out, the basis of all development is activity. Without it there could be neither life nor evolution. Now, it is obvious that among brutes and among men, competition, if conscious, is a stimulus to action. If it should suddenly cease as a natural phenomenon the activity of many men, and most animals, would be greatly diminished, and progress, of course, retarded. Among the lowest animals the only barriers to increase are defeat and destruction. They know nothing of self-restraint.



A want impels to immediate effort to gratify it. Interference on the part of another animal naturally results in conflict. Strife is the normal condition, and 'the lust of battle' an advantage. Here competition reigns supreme. It is inevitable; and, although wasteful in the highest degree, it supplies a powerful stimulus to action. The function of competition, then, is to secure action on the part of unintelligent creatures, creatures incapable of appreciating the waste of energy due to competitive strife and of combining and coöperating to prevent it. It is nature's method of stimulating action until mind is sufficiently developed to supplant it by higher motives.

Competition, then, is indeed an incentive to action. Does that not prove its necessity and permanence in industrial society? Not any more than the stimulating quality of anything else proves its necessity and permanence. Fear is an incentive, but we are trying to drive out fear. Goethe ascribes to Satan the exact virtue claimed for competition. In explaining the existence of this personage, the Lord, in the prologue to Faust, is made to say:

All too prone is man activity to shirk,  
 In unconditioned rest he fain would live;  
 Hence this companion purposely I give,  
 Who stirs, excites, and must as devil work.

But as modern theology has practically discarded the devil, so, let us hope, that in time we may eliminate competition as a necessary means of social progress. Competition is an incentive to action, but so is a bull-dog after a tramp. There are other incentives, and higher. The mere desire to beat somebody does not compare favorably, from an ethical standpoint, with interest in the welfare of wife and children, the joy of the artist, the scientist's love of truth, the delight of the mechanical inventor, publicity and honor, to say nothing of the desire to promote the public good, which has been shown again and again to be among the most powerful of incentives.

The necessity of competition, then, can be admitted only with respect to the brute creation in a state of nature, and to such men as do not respond to higher motives. As to its permanence, it is significant that those who argue for competition as a necessary incentive usually affirm it with respect to others, not to themselves. They at least have risen above it! If any man of action has 'risen above' competition, then, of course, the possibility may be asserted of all. To deny it is to disregard past evolution and the influence of education. Competition will gradually disappear, then, as higher types of men are developed. But society will not wait upon individual development for the removal of competition. As soon as it becomes entirely awake to its excessive wastefulness and brutality, it will put an end to it, even at the risk of weakening, in certain cases, individual interest and incentive. If society were as intelligent as the average individual, it would not tolerate the waste and anarchy of industrial competition for a single week.

To sum up this division of our discussion, we may say that competition, in the natural order, is a necessary incentive to action. Its necessity in industrial society diminishes, however, with advancing intelligence, and ends the moment individuals are sufficiently responsive to higher motives to secure the activity necessary to progress. For the appearance and strengthening of these higher motives we may safely rely upon association, assisted by education and other civilizing influences. It is useless to deny, as some do, the possibility of changing human nature. Man has emerged from the brutes. His present nature is as much a product of evolution as he is himself. Its past evolution is a promise of continuing change. Development, here as elsewhere, may be consciously effected by changing the environment. The argument, if it is to be so dignified, that human nature is not susceptible to change, tells against the 'regulation' of competition, as well as against its elimination. Such an argument, however, is really not worth discussing. In

social polemics the dogma, 'You cannot change human nature,' is the last refuge of a defeated opponent.

It is usually admitted by those who assert the necessity and permanence of competition that it should be raised to higher levels. "Competition," says Professor Ely, "is a permanent feature of human society. It begins with the lowest orders of animals and continues its action among the highest orders of men. But it continually mounts to higher and higher elevations, and means rivalry for ever better and better things. We leave behind contests for bare subsistence to engage in contests for noble prizes of the mind and for opportunities for social service. We can, then, never allow competition to cease."<sup>7</sup> The context shows that Professor Ely means industrial competition should not be allowed to cease. His conclusion is a *non sequitur*. For, if competition "mounts to higher and higher elevations," it may rise above the industrial plane and industry become coöperative.

To me it seems that to admit that competition may and should be raised to higher and higher levels, is to give up the case for our competitive system of industry. For when competition is raised so high that it becomes rivalry in 'social service,' it is no longer competition. My contention is that strife of man against man is not essential to progress, and that because it always involves wasteful expenditure of energy, the elevation of competition by eliminating waste, and supplying worthier objects, must inevitably result in emulation and coöperation.

Suppose, for instance, an individual raised to the moral level at which he responds to the scriptural injunction, "Let nothing be done through strife or vain glory; but in lowliness of mind let each esteem other better than themselves." Such a man would naturally emulate, but not compete. Suppose, again, two competitors in in-

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<sup>7</sup>"Evolution of Industrial Society," New York, 1902, pp. 144, 145.



dustry. Their object is profits. To succeed each tries to defeat the other. The thwarting or crippling of one is an advantage to his opponent. Now suppose the object of their rivalry transformed from profits to the public good. Then, if, for any cause, one is rendered less effective, the other's aim is to that extent defeated. Each desires the maximum promotion of social well-being. Neither would interfere by any of the methods known to competition to diminish the efficiency of the other. For by so doing he would deny his interest in the public good, or defeat his own purpose. On the contrary, each would help the other. That is to say, they would cooperate, not compete.

As differences of opinion here seem to depend largely on definitions, it will be well to discriminate as carefully as possible between competition on the one hand and emulation and coöperation on the other. First let us endeavor to fix the meaning of competition. In the application of the word competition to the plant world, it is used in a figurative sense, just as the word 'struggle' is used in the same application. We may therefore leave out of account the so-called competition of plants, and confine our attention to competition in the animal and social world. In this realm competition is the rivalry of individuals or groups for a satisfaction which only one competitor may enjoy. The food which one animal secures is forever lost to another who was striving to obtain it. The primary definition of competition, according to the Century Dictionary, is "the act of seeking or endeavoring to gain what another is endeavoring to gain at the same time; common contest, or the striving for the same object." Industrial competition, then, must be defined as the effort of men to obtain an economic advantage which all in pursuit of it may not enjoy. In the case of competition among laborers the object is wages; with employers it is profits. Inasmuch, however, as industry is controlled and directed by the employing class, the chief end of industry is profits, and the whole indus-

trial process may be described with fairness as a struggle for profits.

If to this definition of industrial competition it is objected that it brings into undue prominence its selfish phase, the answer is, All competition is essentially selfish. That is its condemnation. Its motto is, "Thou shalt starve ere I want." No matter how much competition is 'regulated' by forbidding the practice of objectionable methods, the selfishness of it remains. Professor Ely asks: "If I knock you down with a sand bag and rob you, is that to be called competition? If I fit out an armed ship and prey upon the commerce of the world, is that competition?"<sup>8</sup> The answer is they are inevitable incidents of 'free' competition. Declare such practices criminal, and punish those who resort to them as robbers and pirates, and you have not changed the essential nature of competition. The eternal and insuperable objection to competition from the ethical standpoint is the state of mind involved, just as waste is the insuperable objection from the economic standpoint.

Of course, it is not to be denied that high motives and generous action are often operative in the industrial world. Business men are sometimes philanthropists. But it would be naïve to assume that business is philanthropy, and define industrial competition as friendly emulation. We must regard it as what it really is, namely, the strife of men, or groups of men, consciously or unconsciously carried on, with the purpose of economic gain; success being dependent upon the crippling or defeat of rivals. Emulation, benevolence, sympathy, love are all to be found in the industrial world, but they exist in spite of competition, not because of it. Their presence there should not blind us to the essential nature of industrial competition.

By emulation I mean the struggle to approach, equal, or surpass another in merit, or, in the field of industry,

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<sup>8</sup> *Op. cit.*, p. 127.

in productivity. It is a strong motive power in production, but it differs essentially from competition, since its object is the satisfaction of achievement, and not the selfish enjoyment of wealth. It involves no waste, and is therefore consistent with a maximum production at a minimum expenditure, or the law of economy. An emulative industrial order would be vastly superior to the present competitive system, but it would not be the highest, for the complete moralization of emulation, and of competition, would inevitably result in industrial co-operation.

To transform competition and emulation into industrial coöperation it is only necessary to raise the end of action from 'better and better things' to the best, namely, the public good. Coöperation means, literally, of course, working together. To work together, in the sense implied, men must have a common object. It may be noble or ignoble. But always to work together is more effective than to work against. The highest end of action is the social welfare. The highest type of men must be animated by the desire to promote it. Hence, if intelligent, and they must be or they would not be the highest type of men, they must coöperate. For the highest industrial efficiency is possible only when there is common effort for the common good. Coöperation is therefore the goal of industrial evolution.

Deep down in biological evolution originated the parental and the gregarious instincts, the 'struggle for the life of others,' and mutual aid, or coöperation. They softened and lessened competition within groups and proved to be an advantage in group competition and group survival. Coöperation in its origin, then, has exactly the same natural sanction as competition; it originated spontaneously as an aid to survival. But while out of competition sprang the self-regarding virtues, the other-regarding virtues owe their origin to co-operation. "Important as the struggle for existence has been and still is," said Darwin, "yet as far as the higher



part of man's nature is concerned, there are other agencies more important." <sup>9</sup> Chief among these other agencies is coöperation. Coöperation, therefore, is the more significant fact in human evolution. It exerts by far the stronger socializing and moralizing influence. If progress continues, it seems inevitable that competition must grow less and less and coöperation more and more.

It might seem that in the upward march of living things those in which mind first appeared would at once see the unnecessary expenditure of energy involved in competition, and combine to prevent it. So they would if mind, at its appearance, had been fully formed. But intelligence began in the simpler feelings, and advanced only by slow degrees. What we should expect to find in history, therefore, is a gradual displacement of competition by coöperation. And that is exactly what we do find. Every step in civilization has meant a modification of the competitive struggle. Men talk of 'free' industrial competition, but there is no such thing to-day on any large scale. Combination in productive enterprise and trade will continue because of their economy, and complete economy cannot be attained without thorough voluntary coöperation.

It is sometimes said that even with socialized industry competition would be necessary to determine individual efficiency. The most that can be admitted is that socialized industry *with* a competitive test of efficiency would be a great advance over the present order. But to say that such a test is ideally necessary is to misconceive the real meaning of competition. In a large firm, for instance, each employé is assigned his work by the conscious direction and control of the manager. If the manager be wise, he does not set his men to competing, to trying to defeat each other, or to get one another's jobs, in order to determine fitness. He encourages emulation, not competition. What is he there for but to

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<sup>9</sup>"Descent of Man," 2d ed., p. 618.

determine efficiency by achievement? Conscious selection does not necessarily involve or imply competition. In the selection of men for the giant corps of Frederick the Great, stature was the primary test. Five-foot men could hardly be said to compete for a place with men of six feet four. Men were chosen merely because they were tall. Under industrial coöperation what a man could actually do would be the rational determinant of his place and duty.

So while competition might long remain in socialized industry, it is not a necessary factor. Its necessity will decline with the increase of intelligence and public spirit. Full and voluntary coöperation is the ideal.

To appreciate the truth that the ideal state must be industrially coöperative, it is only necessary to try to conceive what a state would be like in which competition was 'free,' and the business maxim, 'Every man for himself,' was perfectly applicable. The terrible disaster in the Iroquois Theater in Chicago a few years ago affords an interesting illustration of competition 'at its best'! Two thousand people were sitting quietly waiting for a performance to begin. Suddenly there was a cry of 'Fire!' They leaped to their feet and there began a competitive scramble for the exits. There was 'a fair field and no favor.' 'Every man for himself.' The weak,—men, women and children,—were knocked down and trampled under foot. To help another meant to lose one's chance of escape. The result was that six hundred people lost their lives. Coöperation would have saved them all. Ruskin spoke the truth when he said, "Government and Coöperation are in all things the Laws of life; Anarchy and Competition the Laws of Death."

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*Ruskin's view of Hawthorne's view toward competition.*

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